



## ***AOT in Action***

Welcome to AOT in Action, your weekly e-newsletter from the Arizona Office of Tourism (AOT).

### **A Message from Director Sherry Henry:**

---

Good morning,

We are thrilled to announce that the 2010 *Arizona Official State Visitor's Guide* (OSVG) is now available to consumers!

From the moment a potential visitor receives this guide, a wealth of Arizona travel information is at their fingertips and we are confident that they will use this publication to plan their next vacation to Arizona. With articles written by Arizona-based writers who lend their experience and familiarity to the stories they write, readers of this publication will be informed, entertained and encouraged to discover Arizona's wonderful tourist destinations.

More than 450,000 copies have been published along with 500,000 accompanying comprehensive maps. Complimentary copies of the guides and maps will be distributed in response to our consumer advertising campaigns, as well as to our travel industry partners and at visitor information centers located throughout the state. The guide is also available to download at [www.Arizonaguide.com](http://www.Arizonaguide.com). Be sure to pick one up and check it out!

Have a great week.

---

### **AOT News**

#### **SAVE the DATE: 6<sup>th</sup> Annual Arizona Tourism Unity Dinner – Thursday, March 11, 2010**

The Arizona Tourism Unity Dinner will be held Thursday, March 11, at Chase Field. The event is a major fundraiser for the Arizona Tourism Alliance, but also honors individuals for their extraordinary support and service to Arizona's travel and tourism industry. The Unity Dinner is a wonderful event that brings together public and private tourism industry organizations and

elected officials from across the state to celebrate tourism. For ticket information, please visit [www.aztourismalliance.org](http://www.aztourismalliance.org).

---

## AOT Activities

### Toronto Golf Show Participation Opportunity

AOT will exhibit at the 21st annual Toronto Golf & Travel Show on March 5-7, 2010. The golf expo is held each year at the Metro Toronto Convention Centre and attracts more than 30,000 Canadian golf enthusiasts. Exhibitors include golf outfitters, equipment manufacturers and suppliers, golf schools, golf travel companies and destinations. Join us in our exhibit at the show or we are pleased to offer brochure distribution for your golf travel product. Space is limited. For more information please contact Jennifer Sutcliffe at 602-364-3693 or via e-mail at [jsutcliffe@azot.gov](mailto:jsutcliffe@azot.gov).

## Upcoming Events & Activities

### French Media and Trade Mission

**Date:** February 10-12

**Location:** Paris, France

### Germany Media and Trade Mission

**Dates:** February 15 – 19

**Location:** Zurich, Frankfurt, Hamburg, Munich

### Los Angeles Times Travel Adventure Show

**Date:** February 14 – 15

**Location:** Los Angeles, California

### AAA/CAA FAM Tour

**Date:** February 24 - 28

**Location:** Greater Phoenix Area, Safford, Sierra Vista

---

## Industry News

### Declaration of Independence comes to the State Capitol

One of 26 known original copies of the Declaration of Independence will be at the State Capitol for a pair of special viewings this month. The document, our nation's birth certificate, will be at the Capitol on the evening of February 19 for an opening event and viewing reception for state lawmakers, public officials and other dignitaries. The following day, February 20, the Declaration of Independence will be on display in a free viewing for members of the public. The exhibit will

be at the Arizona Capitol Museum, 1700 W. Washington St., Phoenix. Doors will open at 8:00 a.m. and close at 5:00 p.m.

### **Commerce Department Issues Travel Trade Barometer**

Canada bookings to the U.S. are projected to be flat through the first quarter of 2010, according to the Commerce Department's Travel Trade Barometer. On average, said the agency, the level of promotion by U.S. destinations and businesses was reported as having no impact on travel to the U.S. from Canada. The barometer projected that bookings from Mexico to the U.S. would increase in the first quarter, while bookings from the U.K. and Germany would be on a par with the first quarter of 2009. (*Special to TA; Travel Advance, Feb. 1*)

### **Hotel Occupancy Drops in 4<sup>th</sup> Quarter**

The U.S. hotel industry's occupancy dropped 4.4% to 50.6% in the fourth quarter, according to STR Global. The average daily rate fell 7.6% to \$95.79, and revenue per available room decreased 11.7% to \$48.50. "Fourth-quarter U.S. industry performance declines slowed, but RevPAR was still down nearly 12%," said Bobby Bowers, senior vice president at STR. "Supply growth seems stuck at more than 3%, while demand had its best quarterly performance of 2009-down 1.4% Occupancy is beginning to show some traction; 11 of the top 25 markets experienced occupancy gains in the fourth quarter. ([www.TravelPulse.com](http://www.TravelPulse.com))

Luxury hotels, which were among the hardest hit by the economic meltdown, are seeing a rebound in demand, and recent data indicate a turning point for the industry as a whole as it comes off the worst year since the Great Depression. "The business is coming back," said Laurence Geller, CEO of Strategic Hotels and Resorts, whose portfolio includes Four Seasons, Ritz-Carlton and InterContinental properties. Speaking at the closing session of the Americas Lodging Investment Summit in San Diego last week, Geller said "I'm feeling much better than it was two to three months ago." The mood among the 2,000 hotel owners, operators, investors and others was one of guarded optimism. The conference theme was, fittingly, an upbeat phrase posed as a question: "Light at the end of the tunnel?"

Perhaps most encouraging were Smith Travel Research's year-end numbers, which show that luxury demand increased 5% to 8% in each of the last six months, and is now at levels comparable to demand levels during the boom that drove rates to record highs in 2007. But it still could be another year before demand translates to rates high enough to give luxury operators the margins needed to turn a profit. ([www.TravelWeekly.com](http://www.TravelWeekly.com), 2/1; *Travel Advance, Feb. 2*)

### **U.S. Could Lose International Visitors over Registration Rule, Groups Fear**

Tourism promoters worry that not enough travelers from countries where U.S. visas are waived are aware that they have to register on a federal Web site before entering the country. Tourism boosters say they fear that new security measures to register and screen visitors to the U.S. may discourage too many big-spending tourists from entering the country. At issue are the online registration requirements for visitors from 35 countries-including Britain, Germany and Japan-who are not required to have visas and who generate most of the tourism dollars in the U.S. Registration under the Electronic System for Travel Authorization has been required since last year, But beginning March 20, airlines face hefty fines if they allow passengers from those countries to board a plane without registering. The online registration was one of several

recommendations made in 2004 by the 9/11 Commission, to screen foreign visitors before they board a U.S.-bound plane.

But the U.S. Travel Association worries that not enough foreign travelers are aware of the deadline to register online with the ESTA program. "People are not being defiant; they just don't know," said Roger Dow, president of the association. Dow contends that the Department of Homeland Security has not done enough to explain the requirement to foreign tourists. As a result, he fears, thousands of visitors may be kept from traveling to and spending much-needed dollars in the U.S. Dow suggested that the federal agency install electronic kiosks at foreign airports so that travelers can register before boarding.

Federal security agencies insist that they have been warning foreign travelers about the deadline for months. Joanne Ferreira, a spokeswoman for U.S. Customs and Border Protection, said her agency and the Department of Homeland Security have spent \$4.5 million on billboards, videos, brochures, newspaper ads, airport signs and posters to get the word out. She said federal agencies do not have the authority to install online kiosks at foreign airports.

([www.latimes.com/Business](http://www.latimes.com/Business); *Travel Advance*, Feb. 3)

### **International Visits Rose 1% in November**

The Commerce Department says 3.6 million international visitors traveled to the U.S. in November, an increase of 1 percent over November 2008. November marked the second straight month of increases in U.S. arrivals. However, for the first 11 months of 2009, visitation was down 6 percent compared to the same period in 2008. International visitors spent \$10.2 billion in November, 7 percent less than in November 2008. In the first 11 months of 2009, visitors spent \$111.2 billion, down nearly 15 percent from the same period in 2008.

In November, 12 of the top 20 countries posted increases in visitation to the U.S. Visitation from Canada was up 5 percent in November but down 6 percent year-to-date. Arrivals from Mexico were up 2 percent for the month but down 5 percent year-to-date. Overseas arrivals, excluding Canada and Mexico, totaled 1.7 million for the month, down 1 percent over November 2008, and totaled 21.6 million year-to-date, down 7 percent over 2008. (*Special to TA; Travel Advance*, Feb. 4)

### **Airlines Stay Cautious Despite Signs of Rebound**

Most major airlines aren't planning to grow much this year, even as their reservation systems show a rebound in business travel reports The New York Times/ Associated Press. Corporate bookings are picking up. More people are flying. But the mixed earnings show that the airlines still have costs -- pension, labor and other non-fuel expenses -- that can be a drag on profitability. And in recent months, they've also dealt with rising fuel prices. Among the nine largest U.S. carriers, five reported profits for the final three months of 2009, while the other four posted losses.

So, most airlines won't rush out to buy new airplanes or significantly boost the number of seats they offer. And those that charge fees to check passengers' bags aren't about to give up that revenue stream even if Southwest Airlines, which doesn't charge those same fees, is siphoning away customers.

US Airways Group Inc., JetBlue Airways Corp. and Alaska Air Group Inc. signaled a cautious approach to the economic rebound as they released their financial results on Thursday for the fourth quarter of last year. "We all in the industry have a good bit of work to do," US Airways CEO Doug Parker said.

US Airways, based in Tempe, Ariz., lost \$79 million loss in the quarter, compared with a loss of \$543 million a year ago. Revenue fell 4.9 percent to \$2.63 billion. US Airways expects revenue per available seat mile -- a key industry metric -- to be up close to 10 percent in 2010, if the positive trends seen in November and December continue.

The airline is adding only four aircraft this year. Fuel costs are expected to be higher on average in 2010, but the airline plans to continue paying market rates and not hedging, citing the expense involved in insuring against price volatility. (*Marketing and Tourism Trends e-newsletter, Feb. 1*)

### **U.S. Hotel Industry Posted a 16.7% Drop in Room Revenues In 2009**

According to data from Smith Travel Research, the U.S. hotel industry posted a double-digit drop in revenue per available room during 2009. The metric fell 16.7 percent to US\$53.71, the largest year-end decrease of any of the three key measurements.

The industry's occupancy fell 8.7 percent to 55.1 percent for the year and average daily rate dropped 8.8 percent to US\$97.51 reports Real Estate Channel.

"Good riddance to 2009, a year which we believe will go down as the worst in the modern hotel industry," said Mark Lomanno, president at STR. "The combination of a distressed economy in conjunction with panic pricing drove RevPARs down to levels that were virtually incomprehensible just a year and a half ago. I look for a significant improvement in the key hotel performance indicators in 2010."

None of the Top 25 Markets reported increases in any of the three key metrics for year-end 2009. Three markets posted occupancy decreases of less than 5 percent: Norfolk-Virginia Beach, Virginia (-3.3 percent to 53.2 percent); Washington, D.C. (-3.2 percent to 64.9 percent); and Oahu Island, Hawaii (-2.3 percent to 73.3 percent). Houston, Texas, ended the year with the largest occupancy decrease, falling 17.0 percent to 55.8 percent because of the lingering effects of Hurricane Ike. (*Marketing and Tourism Trends e-newsletter, Feb. 1*)

### **Business Travel Expected To Match, Surpass 2009 Levels**

A poll of 227 travel experts showed that nearly 40 percent thought booking levels should be similar to 2009, while 28 percent expected them to be better. Only 12 predicted bookings would decrease reports Reuters.

"We're seeing that business travel clients continue to book the same level of hotel accommodations as in the past, but we're also seeing a noteworthy percentage of Travel Leaders business travel experts indicating a fair number of their clients are now starting to fly in business or in first class," said Roger E. Block, the president of Travel Leaders Franchise Group. "That being said, many clients are still opting for economy class airline tickets as they seek to maximize value at every turn" he added in a statement.

More than a third of the experts questioned in the Travel Leaders poll said they had 11 percent or more bookings in first or business class, and 53 percent indicated between one and 10 percent of their clients were traveling "up front."

Business travelers were booking domestic travel two weeks or less before their departure date for domestic travel and one to three week international business, according to the poll. Most tourists traveling internationally book their flights eight weeks or more before their departure. (*Marketing and Tourism Trends e-newsletter, Feb. 1*)

### **Survey: Consumers Still Plan on Traveling**

The "American Express Spending & Saving Tracker," the fifth in a monthly series, found that this year consumers are most focused on their financial well-being, and are approaching the year with an optimistic but prudent financial outlook.

Travel remains on their radar, however. It tops the list of pursuits consumers rank most valuable to their livelihood and well-being with 72 percent, ahead of home entertaining with friends or family (66 percent), and dining out (60 percent). Therefore, even in the midst of their pledges to become fiscally fit, a number of consumers will continue to travel rather than eliminate it from their budget.

According to TravelPulse, thirty-one percent of the general population plans to take a vacation between now and the end of March and more so among affluent (51 percent) and young professionals (54 percent). Two in five (42 percent) young professionals have plans to take weekend trips this winter, and approximately one-fourth (23 percent) of affluent intend to take week-long trips between now and the end of March. Among all those scheduling a winter vacation, an average of two trips is planned. More than four in five (84 percent) of the general population will limit their journeys to the United States during the first three months of the year. (*Marketing and Tourism Trends e-newsletter, Feb. 1*)

### **Don't Use the R-Word: Hotels Find Trick to Business Bookings**

To attract business conferences in these tough times, some luxury resort hotels have resorted to a sort of strategy of last resort: They're dropping the very word "resort" from their names. The Ballantyne Resort in Charlotte, N.C., changed its name during the summer to the Ballantyne Hotel & Lodge after several corporate clients indicated it would have a better chance of landing their business if it weren't called a resort. Same for the Westin Stonebriar near Dallas, formerly the Westin Stonebriar Hotel & Resort. Ditto the Renaissance Orlando at Sea World, no longer the Renaissance Orlando Resort at Sea World.

Other than the name-dropping, little else has changed. The bedsheets at the Ballantyne remain Egyptian cotton, and guests still can book an appointment at the spa. Guests at the Westin Stonebriar still can get a tee time for the property's Tom Fazio-designed golf course. And those at the Loews Lake Las Vegas—a resort no more—aren't deprived of the property's "white-sand beach" on the lake nor master sushi chef Osamu "Fuji" Fujita's culinary creations.

That such trivial compromises are needed to salvage business is a sign of the times for luxury hotels and resorts says The Wall Street Journal. The industry is in the throes of its worst downturn since the Great Depression, with occupancy at historic lows and many properties

facing foreclosure. Resorts must also contend with public backlash against the conferences they host.

The resort stigma was stoked by widespread outcry late in 2008 about a \$400,000 sales retreat that American International Group Inc. planned to host at the St. Regis Monarch Beach resort in Dana Point, Calif. Facing scorching criticism, AIG, the recipient of \$180 billion in taxpayer assistance, canceled the event. The 400-room St. Regis couldn't recover from the bad publicity and was foreclosed upon by one of its lenders, Citigroup Inc. (*Marketing and Tourism Trends e-newsletter, Feb. 1*)

### **U.S. Travel Offers Free PSA to Promote Travel**

In partnership with the U.S. Travel Association to amplify the case for why travel matters, The Travel Channel has created four public service announcements to promote the benefits of travel. Three 15-second spots promote the benefits of travel for health, education, creativity and job performance, and a 30-second spot promotes the benefit to overall well-being. All are available for download by the entire travel community at [www.ustravel.org](http://www.ustravel.org) and can be used for marketing and outreach activities, including presentation to policymakers, welcome centers and in kiosks for marketing to the general public. (*www.TravelAgentCentral.com, 2/4; Special to TA; Travel Advance, Feb. 5*)

---

### **Calendar of Events**

Visit [www.ArizonaGuide.com](http://www.ArizonaGuide.com) to find information on all the exciting [events, festivals and activities](#) held throughout the Grand Canyon State!

### **Connect with the Arizona Office of Tourism!**

Become a fan on Facebook! <http://www.facebook.com/arizonatravel>

Follow us on Twitter! <http://twitter.com/ArizonaTourism>